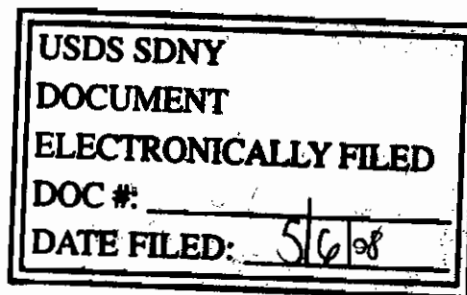


UNITED STATES DISTRICT COURT
SOUTHERN DISTRICT OF NEW YORK



----- x
UNITED STATES OF AMERICA :

-v.- :

SAMUEL ISRAEL III, :

Defendant. :

DISTRIBUTION ORDER

05 Cr. 1039 (CM)

----- x

WHEREAS, on April 18, 2008, a Restitution Order was entered by the Court, ordering that SAMUEL ISRAEL III pay a total of \$300,000,000.00 in restitution to the persons, and in the individual amounts, identified on Attachment A of the Order.

WHEREAS, there are additional investors in the Bayou Funds who redeemed all or part of their investment (the "Redeeming Investors") and may be ordered to return a part of their investment in connection with the bankruptcy proceeding, In Re Bayou Group LLC, et al, 06-22306 (ASH), taking place in the United States Bankruptcy Court for the Southern District of New York, and will thus have suffered a pecuniary loss from the Bayou Funds fraud;

WHEREAS, the Redeeming Investors, who are identified in Attachment 1 of this Order, may then move to amend the Restitution Order;

WHEREAS, Assistant United States Attorney Sharon Cohen Levin, Chief of the Asset Forfeiture Unit, of the United States's Attorney's Office for the Southern District of New York, has represented that she will request that the Department of Justice

apply its Restoration Policy to transfer the funds forfeited in this action, in United States v. James G. Marquez, 06 Cr. 1138 (CM), and in United States v. Daniel E. Marino, 05 Cr. 1036 (CM) (the "Forfeited Funds"), to the Clerk of the Court to be distributed to the Bayou Funds fraud victims pursuant to the Restitution Order entered in this action;

IT IS HEREBY ORDERED, ADJUDGED AND DECREED that in accordance with the Restitution Order and upon the approval by the Department of Justice of the United States Attorney's Office's Restoration request and the transfer of the Forfeited Funds to the Clerk of the Court, the Clerk of the Court is hereby directed to distribute the Forfeited Funds in the following manner:

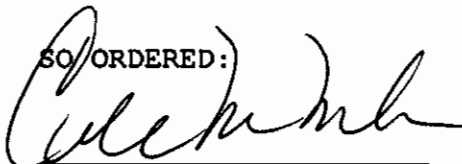
- 74.82% of the Forfeited Funds are to be disbursed to the Bayou Fraud victims, in accordance with the Restitution Order;
- 25.18% of the Forfeited Funds are to be held in reserve pending any amendment of the Court's Restitution Order, and pending further order of the Court.

IT IS FURTHER ORDERED that the Forfeited Funds held in reserve shall be placed in an interest bearing account.

Dated: New York, New York
~~April~~, 2008

May 5

SO ORDERED:

A handwritten signature in cursive script, appearing to read 'Colleen McMahon', written over a horizontal line.

HONORABLE COLLEEN McMAHON
UNITED STATES DISTRICT JUDGE